

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA Division Director Outgring C0070033 #4076

June 13, 2012

James A. Hewlett, Resident Agent Intermountain Power Agency 10653 South River Front Parkway, Suite 120 South Jordan, Utah 84095

Subject: 2011 Annual Report Review Completion, Wildcat Loadout, C/007/0033, Task ID

#4076

Dear Mr. Hewlett:

The Division staff has completed the review of the 2011 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on April 16, 2012.

As you are aware, the Wildcat permit contains a commitment to monitor coal fines accumulation in areas on the north and south sides of sediment Pond "B" and east of Pond "B" up to the gas well road permit boundary.

Appendix "P" of the Wildcat mining and reclamation plan provides a detailed evaluation of the coal fines accumulations within these areas before cleanup of those fines was implemented in 2010. Figure 1 Plate 1 shows the depth of fines throughout the areas contaminated and the area of fine dispersion.

As part of the 2011 monitoring, two very brief memos and six photographs were submitted as an attempt to meet the monitoring requirement for the last two quarters of 2011. The Wildcat permit was transferred to the Intermountain Power Agency with America West being the designated operator on June 27, 2011. The two monitoring memos submitted therefore cover July-September, 2011 and October-December, 2011.

The two memos submitted to address the Annual Report commitment requirement do not provide adequate information, as coal fines depths or the amount of area covered by new fines accumulation was not discussed. If no fines were observed, or if fines dispersion was minimal, the memos should have stated that information. The submitted photos were horizontal views, and no photos were taken of any new accumulations within the areas. Only personnel familiar with the site could identify where the submitted photographs were taken.

Please refer to the reviewer comments made under the commitment "Coal Fine Accumulation Monitoring" of the Annual Report review. Please require your monitoring

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personnel to improve on the monitoring protocol such that adequate monitoring and reporting can be accomplished.

The Division realizes that America West is minimizing coal stockpile volumes under the #1 and #2 radial stackers to help minimize coal fine accumulations in the areas east of Primary Road #5.

Thank you for your attention to this matter, and for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock Coal Program Manager

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DRH/PHH/sqs Enclosure

cc: Kit Pappas

Price Field Office

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Print Form Submit by Email Reset Form

Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 30, 2012**. During a complete inspection an inspector will check and verify the information.

GENERAL INF	ORMATION						
Company Name	INTERMOUNTAIN POWER AGENCY		Mine Name	Wildcat Loadout			
Permit Number	C/007/0033			Permit expiration Date	May 5, 2014		
Operator Name	America West Resources, Inc.			Phone Number	+1 (435) 636-0820		
Mailing Address	3266 South 125 We	est		Email	kit@emerytelcom.net		
City	Price						
State	Utah	Zip Code 84501					
				DOGM File Locati	ion or Annual Report Location		
Excess Spoil Piles		☐ Required☐ Not Required		- 2000-200-200-200-200-200-200-200-200-2			
Refuse Piles		☐ Required☐ Not Required	Refuse Pile Certification Included Sediment Pond Certification Included				
Impoundments					ded		
Other:							
OPERATOR COMMENTS							
The facility resumed operationin Mid-August of 2011. Sediment pond and refuse pile certifications are included.							
REVIEWER COMMI	ENTS 🖂	Met Requirements		Did Not meet Requireme	nts		

The Division issued the new permit to IPA on June 27, 2011. It remains in effect through May 5, 2014. The Permittee submitted a copy of the 2011 AR to the PFO on April 4, 2012. A second copy is enroute to the SLO / DOGM. The 4th Quarter 2011 waste rock pile inspection for the Wildcat permanent disposal area is included. Mr. J.T. Paluso, P.E., conducted the inspection on 11/11/2011. No hazards or problems were observed. The outslopes are at a 2:1 configuration; new material has been placed on the toe of the east slope, as observed on 3/5/2012. There was no non-coal waste observed within the material. No evidence of spontaneous combustion was apparent. No water is impounded anywhere on the pile. P.E. certification requirements were completed on December 28, 2011. The 2011 AR also contains P.E. certified inspection reports for the sites six sediment impoundments and the permanent impoundment for the 4th Quarter of 2011 (inspections completed on 11/11/2011 with P.E. certification requirements completed on 12/27/2011. All ponds

had sediment storage capacity remaining below the 60% cleanout elevation. Pond "D" was very close to the 60% cleanout elevation, and the Permittee completed cleanout of pond "D" prior to the April 4, 2011 partial inspection (report ID # 3064). The re-certification of Pond "D" was still pending on 4/4. A new sediment marker is also going to be placed and surveyed. None of the ponds were reported as having hazardous or unstable conditions. As observed on April 4, 2012, all ponds were dry.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

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Title: COAL FINE ACCUMULATION MONITORING Objective: To minimize coal fine accumulations on undisturbed ground within the disturbed area boundary. This area did not have topsoil salvaged, but was vacuumed, disced, mulched and seeded in September 2010. Frequency: Quarterly Status: Ongoing
Reports: Monitoring protocol, location of observations, digital photographs and results to be filed with the Annual
report.
Citation: MRP, Appendix P, Item 7
Operator Comments
Coal fines accumulation inspection reports for 3rd and 4th quarter 2011 are included.
Reviewer Comments
Reviewed by Pete Hess on 4/10/2012 and Priscilla Burton on 4/16/2012: The 2011 AR for the Wildcat permit area contains two brief memos from J. T. Paluso, P.E., to John C. Pappas, Environmental Manager for the Operator, as well as 6 photos of the coal fines recovery area east of PR-5 (primary road 5). The photos are generally taken in the area of pond "B" and they do not show a plan view of the recovery area, or state or show the amount of area covered or the depth of fines in those areas. Appendix P, Page 7 of the Wildcat MRP, Section 7, "conduct future monitoring of wind blown fines" states, "the general approach of monitoring (depth assessment and location on a map) will be stated in the Annual Report". No depth of the new accumulation or if any new accumulation is present was stated. The photo locations have not been shown on a map. The Permittee should have implemented a grid system on a plan view map of the fines recovery area and reported the percentage of area covered by fines in each area and the depth of the fines, similar to Figure 1 / Plate 1 in Appendix "P" of the MRP which plotted coal fines depth prior to fines recovery. The submitted information in the 2011 AR is not adequate, and this section needs to be re-evaluated for compliance.
Title: GRAVEL A PORTION OF ACCESS ROAD PR-5
Objective: To minimize coal fine accumulations on in-situ topsoil east of PR 5.
Frequency: Before PR 5 is used for semi-truck access to the coal storage pad.
Status: Ongoing
Reports: None
Citation: MRP, Appendix P, Item 6
Operator Comments
Refer to response to midterm permit review.

Reviewer Comments		Met Requirements		Did Not Meet Requirements
and therefore fines are no volumes under radial stac conveyor head rollers on where fines were recover	ot being kers #1 the paced ed and erm Per	g thrown into suspension from thi and #2 to about 10,000 tons each i itself. This should keep most of t the area re-seeded and mulched mit Review Task ID #3931, and acc	s source. The Pern, which provides the minus 200 me (October 2010).	pad; no trucks have been observed using the ramp, rmittee is limiting the size of the two stockpile is a drop zone for the fines being dispersed off the esh coal from traveling across PR-5 and onto the area As of April 9, 2012, the Permittee has not submitted formation contained in AR 2011, the midterm

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

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Title: PROTECTION OF TOPSOIL		-					
Objective: To protect topsoil	•	ļ					
Frequency: Prior to construction of Pond G							
Status: Future commitment (Prior to construction of Pond G).							
Reports: Monitor soil salvage from the "mechanical clean-up area" east of PR 5. Provide an as-built showing dimensions and volume contained in Topsoil Pile A.							
Citation: MRP, Section R645-301-212, and Appendix P, Item 2, Item 4 and Figure 2.							
OPERATOR COMMENTS (OPTIONAL)							
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Refer to response to midterm permit review.							
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REVIEWER COMMENTS	<u> </u>						
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REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachmen	ts:	,	ŧ	
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NA			:	
Reviewer Comments		 		7
Reviewer Comments	-1			

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

•	Map Number	Included		Confidential		
Map Name		Yes	No	Yes	No	
NA						
Reviewer Comments		Did Not Meet Requirements				
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